

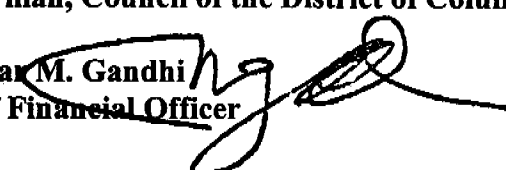
**Government of the District of Columbia
Office of the Chief Financial Officer**

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: MAY 1 2006

SUBJECT: Fiscal Impact Statement: "Health Care Privatization Benefit and Reimbursement Exemption Emergency Amendment Act of 2006"

REFERENCE: Draft Legislation

Conclusion

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the proposed legislation.

Background

The proposed legislation would maintain current D.C. Health Care Alliance policy after the transition to a managed care model by allowing the managed care organizations participating in the Alliance to provide only the Alliance benefit package to Alliance members. The legislation would also exempt Alliance managed care organizations from any requirement to pay claims from hospitals that choose not to participate in the Alliance network.

Financial Plan Impact

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the proposed legislation, as no additional costs are expected to result from the proposed legislation.